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Letter of Comment No: 552-
File Reference: 1102-100

From: Paige Delk (paiged) [paiged@cisco.com]
Sent: Tuesday, April 20, 2004 9:04 AM
To: Director - FASB
Subject: File Reference No. 1102-100; Stock Options as Expenses
Importance: High

Dear Chairman Robert H. Herz,

It has come to my attention that the FASB is considering a plan that would have an impact on the way companies account for stock options given to employees.

I am an employee of a company where the stock options are an important part of our compensation. It drives us all to be better managers of our time and company resources since we "own" a piece of the company. This piece of our overall compensation package is the major factor in my decision to remain with my company and contribute in every way I can.

I do not pretend to understand the many facets of the accounting world, but I believe I understand the qualifying description of an "expense" as one which uses company assets. I do not believe this definition applies to stock options. Stock options are a way to have employees share in the ownership of a company and be rewarded for innovation and dedication. Further, I understand that others countries in the global market place do not classify stock options as an expense.

This is a subject near and dear to my heart since many of our jobs are being sent overseas due to our inability to compete. I feel very strongly that this plan, should it be enacted, ensures a faster way to rid U.S. based employees of their jobs.

I urge you to re-consider your plan to treat stock options as an expense and allow our U.S. companies and their employees to have a level playing field. This is one of the last truly wonderful things about working for innovative and growing companies since they often are unable to pay the higher salaries of other companies. Stock options ensure we continue to grow and improve our products and that the employees providing the innovations are rewarded for their efforts.

Thank you for taking the time to read this correspondence. I trust that you will at carefully consider what is right for our workplace and competitive spirit and prevent this plan from going any further.

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